

COUNCIL BUDGET WORK SESSION

Thursday, May 25, 2017

5:00 p.m. – 7:00 p.m.

Casper City Hall

Council Meeting Room

AGENDA

1. Touchstones 5:00 p.m.
2. TIF Proposal Follow-Up Discussion (Pete Meyers) 5:10 p.m.
3. Social Services Funding (Liz Becher) 5:30 p.m.
4. Discussion – Changes Needed to Proposed Budget for Adoption 6:30 p.m.

Mayor Humphrey called the work session to order at 5:00 p.m. with the following Councilmembers present: Pacheco, Morgan, Laird, Huckabay, Powell, Walsh, Hopkins and Mayor Humphrey. Councilmember Johnson was absent.

Pete Meyers, Assistant Support Services Director, presented on the follow-up for the DDA's (Downtown Development Authority) TIF (Tax Incremental Financing) Proposal. He began by reviewing what a TIF is and how, in theory, it is supposed to stimulate economic growth. He reviewed the DDA's proposal for \$125,000 per year from the City to the DDA, and a 50/50 split of revenue beyond that amount. He then reviewed the DDA's projections based on predictive assumptions of 30% growth in the first and second years, 20% growth in year 3, and 1-20% for each year thereafter. He stated that staff attempted to find out where those assumptions stemmed from and were unable to do so. Staff created four models for conservative, gloomy moderate, moderate, and aggressive growth created by the TIF based on Casper's historical economic growth. Mr. Meyers reviewed each model's timeline and projections for revenue. All but the aggressive model resulted in total loss for the City after 25 years. Mr. Meyers explained that the \$125,000 would be an annual commitment to the DDA, regardless of growth, and this money would come out of the general fund, which means it currently would be taken out of reserves.

Council discussed the stipulations that would be in place if the City created the TIF District, including oversight, reporting requirements and approval of a development plan. They also discussed reservations about the risks associated with the TIF and not knowing what type of growth it will create. They discussed the TIF boundaries, which would overlap at the David Street Station with the OYD (Old Yellowstone District), but would not include most of the OYD businesses. Council then discussed implementing the TIF, but with a shorter timeline and a lower annual contribution. Council did a thumbs up vote and decided to not move forward with a TIF District for the DDA.

Next, Interim City Manager Becher discussed health, social, and community services funding. She stated that the Community Action Partnership receives agency funding to administer One Cent Sales Tax money to other agencies. She stated they have been flagged for inconsistent reporting, and staff is recommending that Council reconsider Community Action Partnership's oversight of the One Cent Sales Tax money. Councilmember Huckabay stated that she has heard

concerns about this agency at the state level as well. Interim City Manager Becher also discussed allocations to agencies from Optional One Cent Sales Tax. She stated that agencies that receive social services funding are now required to provide quarterly reports so outcomes can be tracked.

Councilmember Laird stated he would like a short-form budget where staff recommends \$5 million in cuts, and stated that using \$5 Million in reserves is alarming. Councilmember Walsh stated that he would like department heads to decide where to make those cuts as opposed to Council deciding that. Councilmember Hopkins stated that staff and Council have been making progress on gradually decreasing the budget due to the declining economy over the last couple of years, and the City has a high amount in reserves for times like this. He said that, by law, Council must pass a budget by June 30, and recommended that Council approve this budget as-is and allow staff and the new City Manager time to work on amendments that make budget cuts. Councilmember Morgan stated that he would like to see staff improve on services that are drags on the general fund, and consider privatizing services. Councilmember Huckabay stated that she would like to see non-profits working together more in order to decrease the funding burden on the City. Interim City Manager Becher stated that she thinks there is value in stepping through the budget, especially for new Councilmembers, in order for them to better understand the operations and the funding requirements of each department and the components of each fund.

Next, Interim City Manager Becher reviewed some possible budget cuts and additions based on Council's direction. Mr. Meyers stated that each change will also be explained in terms of budget impact of a full time employee, which costs the City an average of \$77,000. Interim City Manager Becher reviewed the proposed adjustments, some of which included: postponing Fire Station No. 5, building a police tactical range, increased training for all employees, seven additional police positions, cutting social services funding, cutting alcohol court, and cutting part of funding to CAEDA (Casper Area Economic Development Alliance) through the EDJPB (Economic Development Joint Powers Board). She asked for Council's direction on these possible changes, and Mayor Humphrey directed Council to do some homework on these changes as well as thinking of other possibilities. Councilmember Morgan asked that staff be given homework as well, including ideas for changing City services to save money. Councilmember Pacheco stated that if Council is looking to cut amenities and services, they need to be prepared and willing stand for those changes.

Assistant City Manager Belser explained that this budget was based on direction for accelerated spending of reserves, with the assumption that adjustments can be made after the budget is passed, but those reserves will be available if needed. Mr. Meyers asked that Council provide staff direction on the what types of cuts they would like, for instance, cuts across the board in each fund or cuts only to the general fund, as well as direction on the amount Council would like cut from the budget. Councilmember Huckabay stated that she would like to see numbers for outsourcing fleet, cutting CAEDA funding, reworking municipal court, and bringing the One Cent funding distribution in-house. Councilmember Walsh said he would like to see percentages cut from each department in order to offset the cost of reserves.

Mayor Humphrey stated that there will be an additional budget work session next Tuesday, May 30, at 4:30 p.m. in order to discuss all of these possible adjustments and the “worst case scenario” budget that Council is requesting of staff.

The work session adjourned at 8:00 p.m.

ATTEST:

CITY OF CASPER, WYOMING
A Municipal Corporation

Tracey L. Belser
City Clerk

Kenyne Humphrey
Mayor